

European Communities

EUROPEAN PARLIAMENT

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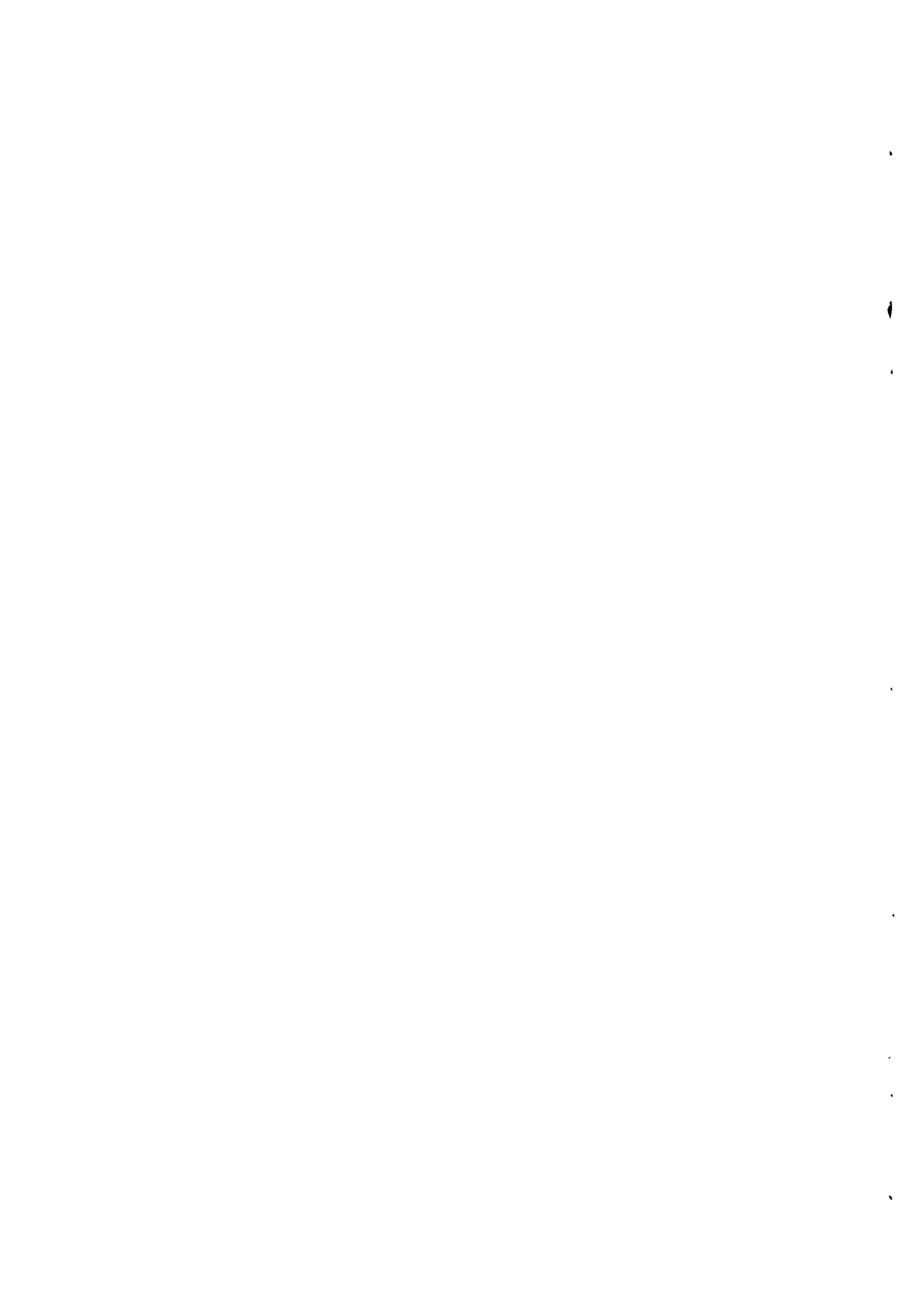
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SUPPLEMENTARY REPORT

drawn up on behalf of the Committee on Budgets

on the ~~draft~~ rectifying and supplementary budget No. 1 of the European
Communities for the financial year 1975 (Doc. 51/75)

Rapporteur : Mr H. AIGNER



The Council forwarded the preliminary draft rectifying and supplementary budget No. 1 to the European Parliament on 27 January 1975.

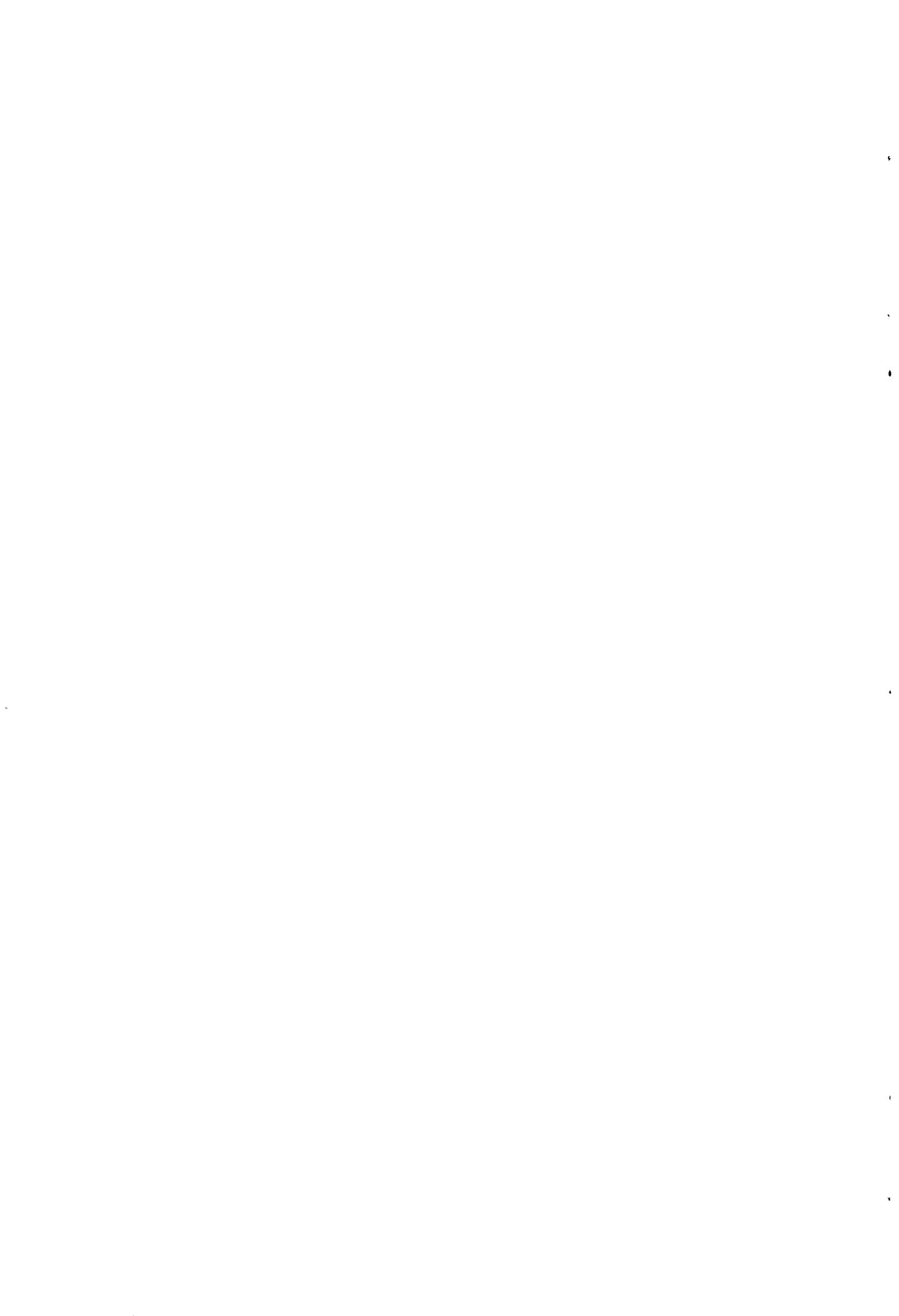
Pursuant to the agreement of 1970 between the institutions, it received a delegation from Parliament on 11 February 1975 and established the draft budget the same day (Art. 203(3), paragraph three).

Parliament delivered its opinion (Art. 203(4) and (8), final paragraph) on the draft budget on 8 April, on the basis of a report by Mr Aigner, rapporteur, on the annual budget for 1975, draft amendments and a proposal for the fixing of a new rate for non-compulsory expenditure, adopted by the Committee on Budgets.

Before the Council (pursuant to Art. 203(5), paragraph two) reached a decision on Parliament's texts, it met a delegation from Parliament on 15 and 22 April 1975.

The motion for a resolution was adopted unanimously by the Committee on Budgets on 24 April 1975.

Present : Mr Lange, chairman and acting rapporteur; Mr Artzinger, Mr Brugger, Mr Cointat, Miss Flesch, Mr Früh, Mr Gerlach, Mr Kirk, Lord Lothian, Mr Notenboom, Mr Pêtre and Mr Shaw.



The Committee on Budgets hereby submits to the European Parliament the following

MOTION FOR A RESOLUTION

on the draft rectifying and supplementary budget No. 1 of the European Communities for the financial year 1975, considered by the Council on 21 April 1975

The European Parliament,

- having regard to the preliminary draft rectifying and supplementary budget No. 1 of the European Communities for the financial year 1975 submitted by the Commission of the European Communities (COM(75) 20);
 - having regard to the draft rectifying and supplementary budget No. 1 drawn up by the Council (Doc. 530/74);
 - on the basis of its deliberations of 8 April 1975 (Doc. 533/74);
 - having regard to the Council's letter of 22 April 1975 (Doc. 51/75);
 - having regard to the meeting of its delegation with the Council on 4 March and 15 and 22 April 1975;
 - on the basis of its deliberations of 29 April 1975;
 - having regard to the report of the Committee on Budgets (Doc. 54/75);
1. Emphatically and formally reiterates its belief that the budgetary powers at present vested in the European Parliament are indispensable to the further growth of democracy in the European Communities and therefore resolutely opposes the Council's attempt to revoke, by a unilateral decision, these powers of the Parliament which are laid down in the Treaties;
 2. Notes that, in its letter of 22 April 1975, the Council
 - (a) stated that it was prepared to regard the expenditure for the Regional Fund after 1978 as non-compulsory expenditure;
 - (b) undertook to review the position in regard to the 150m u.a. included in the budget for payment authorizations, 'should these appropriations be insufficient';
 - (c) expressed the view that the question of the transfer of 50m u.a. proposed by Parliament in its draft amendment No. 2 'should be dealt with within the context of the procedure usually adopted for the transfer of appropriations.'

3. Finds that it cannot agree with the Council's classification of Regional Fund expenditure, and reiterates its view that this expenditure is of a non-compulsory nature;
4. Points out furthermore that, in complete agreement with the Commission, it has always held this view and recalls that the regulation on the setting up of a European Regional Development Fund is based on Article 235 of the EEC Treaty;
5. States that Parliament is resolutely determined that the Regional Fund should be activated at the earliest possible date and therefore raises no further objections to the Council's decisions on Chapter 55 'European Regional Development Fund - Payments';
6. Stresses once again that it does not intend to change the Fund's overall financial endowment of 1.3 thousand million u.a. for 1975, 1976 and 1977;
7. Finds that this results in a total of 152,129,416 u.a. for supplementary and rectifying budget No. 1, so that the rate of increase for non-compulsory expenditure is thus fixed at 40.88%;
8. Accordingly adopts supplementary and rectifying budget No. 1;
9. Requests its President to declare that the procedure has been completed and the budget finally adopted pursuant to Article 203(7) EEC, and instructs him to publish it in the Legislation series of the Official Journal;
10. Instructs its President to forward this resolution to the Governments and Parliaments of the Member States.

Letter of 22 April 1975 from the President-in-Office of the Council to the
President of the European Parliament

Sir,

The Council has examined draft Supplementary and Rectifying Budget No. 1 of the European Communities for the financial year 1975, which was sent back to it by the European Parliament. It carried out this examination in the light both of the reasons put forward in the Resolution adopted by the European Parliament on 8 April 1975 and the arguments presented to the Council on 15 April 1975 by the delegation from the Parliament led by Mr Berkhouwer.

I have the honour to inform you herewith of the results of the deliberations of the Council.

1. The Council considers that the Regulation setting up the European Regional Development Fund, and particularly Article 2(1) of that Regulation, has the result that the expenditure which it involves for the period from 1975 to 1977 must be considered as necessarily resulting from an act adopted in accordance with the Treaty.

The Council, anxious to come towards the position of the European Parliament and having in view the fact that the Commission must submit proposals to it concerning the period after 1977, states that, as far as it is concerned, it is prepared to decide here and now that subsequent to the three-year period from 1975 to 1977 referred to in Article 2 of the aforementioned Regulation, the expenditure occasioned by the Fund will not be considered as necessarily resulting from the Treaty or from an act adopted in accordance therewith. This undertaking is of course based on the assumption that the Parliament is prepared to treat the expenditure to be entered in this connection in the budgets of the European Communities prior to 1978 as obligatory expenditure.

2. Under these conditions, the Council felt that it had to consider the proposal No. 1 made by the European Parliament as a proposed modification. The Council was unable to agree to this proposal. In fact, both the Council and the Commission considered that in view of the delay with which the texts relating to the European Regional Development Fund were adopted, it was in practice impossible for the payment appropriations used for the financial year 1975 to exceed 150 MUA. To increase these appropriations would therefore have been pointless and would not have corresponded to a realistic estimate. However, should these appropriations be insufficient, it was understood that the Commission would submit to the Council, by 1 October 1975 at the latest, a progress report on the estimated payments for the Regional Fund in 1975. On the basis of this

report, the Council will, if necessary, review the situation regarding these payments.

3. As regards proposal No. 2, the Council considers that this constitutes a proposed modification since it concerns appropriations under the Guidance Section of the EAGGF which, in the course of the examination of the 1975 Budget, were classified as obligatory by agreement between the Council and the European Parliament. The Council was unable to accept this proposal. It furthermore considers that it would be inappropriate for the allocation of the appropriation entered under Article 833 of the 1975 budget to be dealt with in the context of the financing of the Regional Fund but that it should be dealt with within the context of the procedure usually adopted for the transfer of appropriations.

The Council hopes that, under these conditions, Supplementary and Rectifying Budget No. 1 will be able to be adopted in the near future.

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G. FITZGERALD